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Lexington, Kentucky 40507  
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.....  
**facsimile transmittal**

Mr. Jeff Derouen

Fax: 502-564-3460

Mcredith Nelson

Date: 03/12/2010

Resolution 135-2010

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Lexington-Fayette Urban County Government  
OFFICE OF THE COUNCIL CLERK

Jim Newberry  
Mayor

Susan Lamb  
Council Clerk

March 12, 2010

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615, 211 Sower Blvd.  
Frankfort, KY 40602-0615

Dear Mr. Derouen:

I have been directed by the Lexington-Fayette Urban County Council to send you a copy of Resolution No. 135-2010, which was passed at a meeting of the Council held on March 11, 2010.

Resolution No. 135-2010 endorses the intervention of the Kentucky Attorney General in Public Service Commission Rate Case No. 2010-00036, Adjustment of Rates of Kentucky-American Water Company, and requests that representatives of the Kentucky-American Water Company appear before the Urban County Council at its next Work Session to explain the rate increase and matters related to it.

Your attention to this matter is greatly appreciated.

Sincerely,

Meredith Nelson  
Deputy Council Clerk

Enclosure

RESOLUTION NO. 135 -2010

A RESOLUTION ENDORSING THE INTERVENTION OF THE KENTUCKY ATTORNEY GENERAL IN PUBLIC SERVICE COMMISSION RATE CASE NO. 2010-00036, ADJUSTMENT OF RATES OF KENTUCKY-AMERICAN WATER COMPANY, AND REQUESTING THAT REPRESENTATIVES OF THE KENTUCKY-AMERICAN WATER COMPANY APPEAR BEFORE THE URBAN COUNTY COUNCIL AT ITS NEXT WORK SESSION TO EXPLAIN THE RATE INCREASE AND MATTERS RELATED TO IT.

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WHEREAS, the citizens and businesses of Fayette County are experiencing unprecedented economic adversity and distress; and,

WHEREAS, the responsibility of our government and elected representatives is to represent our citizens in matters related to the cost of all public services, including utility services; and,

WHEREAS, the Kentucky American Water Company has requested a rate increase of almost 38%, which is in addition to an 18% increase requested and approved by the Public Service Commission last year; and,

WHEREAS, this requested rate increase is based almost entirely upon the capital cost of a new \$160 million water treatment plant and pipeline;

WHEREAS, the Council would like to confirm what progress has been made by Kentucky-American Water Company to successfully market water produced by the new plant to the neighboring municipalities, thereby lowering the cost to Lexington citizens;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That the Preamble to this Resolution be incorporated by reference as if fully set out herein.

Section 2 - That the intervention of the Kentucky Attorney General in Public Service Case No. 2010-00036, Adjustment of Rates of Kentucky-American Water Company, is hereby endorsed and encouraged on behalf of the citizens of Lexington-Fayette County to ensure the interests of its citizens are protected and advanced in the rate increase proceedings before the Kentucky Public Service Commission.

Section 3 - That the Urban County Council requests that representatives of Kentucky-American Water Company appear before it at its next work session in order to explain its rate increase request and other matters related to this issue.

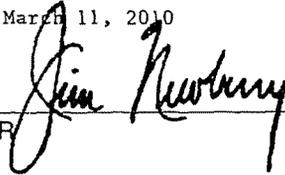
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Section 4 - That the Clerk of the Lexington-Fayette Urban County Council be and hereby is directed to send a copy of this Resolution to Nick Rowe, President, Kentucky-American Water Company, 2300 Richmond Road Lexington, Kentucky 40502; and Jeff Derouen, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615.

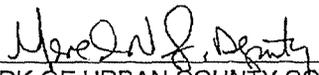
Section 5 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: March 11, 2010

MAYOR



ATTEST:

  
CLERK OF URBAN COUNTY COUNCIL

PUBLISHED: March 18, 2010-1t

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